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Programme budget for the biennium 2006-2007

First performance report on the programme budget for the biennium 2006-2007

Report of the Secretary-General

Addendum

Utilization of the subvention for the Special Court for Sierra Leone

I. Introduction

1. In his report on the request for a subvention for the Special Court for Sierra Leone (A/60/572/Add.1), the Secretary-General proposed that an amount of $11.2 million be converted into an appropriation to meet the Court's anticipated cash requirements estimated at $6.2 million for the period from 1 November to 31 December 2005 and to cover the liquidation of outstanding obligations as at 31 December 2005, estimated at $5.0 million. By its resolution 60/245 of 23 December 2005, the General Assembly approved the final appropriation for the biennium 2004-2005, including a provision of $11.2 million for a subvention for the Special Court for Sierra Leone under section 3, Political affairs, of the programme budget for the biennium 2004-2005.

2. In paragraph 23 of his report, the Secretary-General indicated that it would be his intention to submit a report on the utilization of the additional appropriation of $11.2 million to supplement the financial resources of the Special Court for Sierra Leone during the second part of the resumed sixtieth session of the General Assembly. Owing to the low rate of disbursements early in the year and given that obligations raised against the provision of $11.2 million remain valid to 31 December 2006, that report was deferred to the main part of the sixty-first session, when more complete information on the utilization of the funds would be available. The present report is submitted in that context. It presents an overview of the funds remitted to the Court against the final appropriation of $11.2 million to cover the Court's cash requirements for the period from 1 November to

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31 December 2005, as well as monthly disbursements made from 1 January 2006 onwards to cover monthly requirements related to the Court's liquidation of obligations corresponding to the period from 1 July 2003 to 31 December 2005.

II. Utilization of funds appropriated under General Assembly resolution 60/245

Cash requirements for 1 November to 31 December 2005 ($11,200,000)

3. At the time of issuance of the report of the Secretary-General, dated 30 November 2005 (A/60/572/Add.1), the Special Court for Sierra Leone had anticipated total expenditures for the period from 1 November to 31 December 2005 to amount to $11.2 million. Of that amount, the Court had anticipated that resources amounting to $6.2 million would be required to supplement the Court's cash requirements for the period from 1 November to 31 December 2005 and an additional $5.0 million would be required to cover the liquidation of prior-period obligations, bringing the total estimated cash requirements to $11.2 million. Drawdowns of up to $5.0 million to meet the needs of those obligations would be made from January 2006 onwards. In that regard, in its resolution 60/245, the General Assembly appropriated an additional amount of $11.2 million as a subvention to the Special Court for Sierra Leone under section 3, Political affairs, of the programme budget for the biennium 2004-2005.

4. As set out in paragraphs 5 to 8 below, the implementation of General Assembly resolution 60/245 is being carried out in two phases. Under the first phase (see para. 5), drawdowns against the appropriation of $11.2 million were made to supplement the Court's cash requirements for the period from 1 November to 31 December 2005. Under the second phase (see paras. 6-8), drawdowns against the remaining balance of the appropriation have been made as from 1 January 2006 to cover the liquidation of obligations for the period from 1 July 2003 to 31 December 2005.

Disbursements for 1 November to 31 December 2005 to cover the Court's monthly cash requirements ($4,500,000)

5. As at 31 December 2005, remittances to the Special Court for Sierra Leone for the period from 1 November to 31 December 2005 amounted to $4.5 million from the regular budget. This reflects a decrease of $1.7 million from the estimated amount of $6.2 million originally envisaged in the report of the Secretary-General (A/60/572/Add.1, para. 22) as the cash requirement for the period due to the slower than anticipated pace of the activities of the Court. Accordingly, as at 1 January 2006 the unencumbered balance remaining from the appropriation totalled $6.7 million.

Disbursements for January 2006 to the present to cover monthly liquidation of prior-period obligations ($3,413,494.37)

6. The statement of assets and liabilities as at 31 December 2005 of the Special Court for Sierra Leone reflects a balance of unliquidated obligations in the sum of $5,589,327.33, reflecting an increase of $589,327.33 from the projected amount of $5.0 million (see ibid.). It should be noted that of this amount, a balance of

$3,743,779.34 corresponds to unliquidated obligations for the period from 1 July 2003 to 30 June 2005 and a balance of $1,845,547.99 corresponds to obligations for the period from 1 July to 31 December 2005.

7. During the period from January 2006 to the date of the present report, against the balance of unliquidated obligations of $5,589,327.33 (see table, column b), a sum of $3,413,494.37 was disbursed in monthly instalments to the Court to cover the liquidation of those obligations (see ibid., column c). At the same time, an amount of $281,804.19 in obligations has been cancelled (see ibid., column d). Accordingly, at present, the amounts disbursed and the amounts cancelled together have brought the level of unliquidated obligations from $5,589,327.33 to $1,894,028.77 (see ibid., column e).

Estimated disbursements to be made before the end of 2006 to cover monthly liquidation of prior-period obligations ($885,178.68)

8. Regarding the remaining balance in unliquidated obligations in the sum of $1,894,028.77, the Court anticipates that cash requirements in the amount of $885,178.68 will be required to cover the liquidation of obligations before the end of the year (see ibid., column f). It is also anticipated that by the end of the year a balance of $1,008,850.09 in unliquidated obligations will be cancelled (see ibid., column g). Accordingly, it is anticipated that the remaining balance of unliquidated obligations corresponding to the period from 1 July 2003 to 31 December 2005 would be settled by 31 December 2006. This position is summarized in the accompanying table.

Status of prior-period obligations at present and projected balances as at 31 December 2006

(United States dollars)

a	b	c	d	e=b+c-d	f	g	h=e-g
			January–November 2006 (Actual)			December 2006 (Actual)	
Financial period	*Opening balance (1 January 2006)*	*Disbursements*	*Cancellations*	*Interim closing balance at present*	*Disbursements*	*Cancellations*	*Estimated closing balance (31 December 2006)*
1 July 2003–30 June 2004	**1 739 101.91**	552 035.88	98 030.15	1 089 035.88	85 225.36	1 003 808.52	—
1 July 2004–30 June 2005	**2 064 677.43**	1 179 319.21	84 330.15	741 028.07	741 028.07		
1 July–31 December 2005	**1 845 547.99**	1 682 139.28	99 443.89	63 964.82	58 923.25	5 041.57	
Total	**5 589 327.33**	**3 413 494.37**	**281 804.19**	**1 894 028.77**	**885 178.68**	**1 008 850.09**	

III. Unspent funds appropriated under General Assembly resolution 60/245

9. Of the total estimated drawdowns against the appropriation of $11.2 million, an amount of $4.5 million was remitted in November and December 2005, a sum of $3,413,494.37 was remitted from January 2006 to the present and an additional remittance in the sum of $885,178.68 is anticipated to be made before the end of the year. Based on total estimated cash remittances to be made by 31 December 2006 ($8,798,673.05), it is anticipated that of the appropriation of $11.2 million, an estimated balance in the amount of $2,401,326.95 would remain.

10. The estimated unspent balance of the final appropriation in the amount of $2,401,326.95 consists of lower than estimated total requirements, which generated a surplus in the level of actual cash requirements vis-à-vis projected amounts in the amount of $1,110,672.67. This surplus arises from the combined effect of lower than anticipated cash requirements to cover disbursements in November and December 2005 (a surplus of $1.7 million over the projected amount of $6.23 million), partially offset by higher than anticipated balances in unliquidated obligations (a shortage of $620,565.83 over the projected amount of $4.97 million). In addition, from January 2006 to the present, the Court has reported cancellation of unliquidated obligations totalling $281,804.19, and it is estimated that between now and the end of the year additional obligations of $1,008,850.09 will be cancelled, bringing the total amount cancelled to $1,290,654.28, as reflected in columns d and g of the table above.

11. In accordance with regulation 5.3 of the Financial Regulations and Rules of the United Nations, which states:

> Appropriations shall remain available for twelve months following the end of the financial period to which they relate to the extent that they are required to discharge obligations in respect of goods supplied and services rendered in the financial period and to liquidate any other outstanding legal obligation of the financial period. The balance of the appropriations shall be surrendered.

the remaining balance of $2,401,326.95 of the additional appropriation of $11.2 million approved under General Assembly resolution 60/245 will be surrendered as at 31 December 2006.

IV. Action required of the General Assembly

12. **The General Assembly may wish to note that the estimated unspent balance of $2,401,326.95 of the appropriation for the biennium 2004-2005 in the amount of $11.2 million approved as a subvention to the Special Court for Sierra Leone will be surrendered under the programme budget as at 31 December 2006 in accordance with regulation 5.3 of the Financial Regulations and Rules of the United Nations.**